



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving the Joint Venture Agreement between the City of Lodi, City of Stockton, American Medical Response, and A-1 Ambulance

**MEETING DATE:** April 21, 2004

**PREPARED BY:** Michael E. Pretz, Fire Chief

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**RECOMMENDED ACTION:** That City Council adopts a resolution authorizing the City Manager to sign the Joint Venture Agreement between the City of Lodi, City of Stockton, American Medical Response and A-1 Ambulance. This Joint Venture Agreement will allow the City of Lodi, City of Stockton, American Medical Response and A-1 Ambulance to work together to prepare a response to a County Request for Proposal (RFP) to form an exclusive operating area for ambulance transportation.

**BACKGROUND INFORMATION:** At the January 27, 2004, shirtsleeve session Chief Pretz briefed Council on the status of the County's EMS and ambulance situation. The Chief subsequently has met with Stockton Fire Department, AMR and A-1 representatives to discuss a joint venture. The Fire Department has been directed by City Council to implement a paramedic program, pending budget approval. Council further directed the Fire Department to develop a public/private partnership for the provision of paramedic services and emergency medical transportation. The San Joaquin County Board of Supervisors has directed the County Emergency Medical Service Agency (SJCEMSA) to establish a process to re-design the ambulance transport criteria to allow exclusive operating areas (EOA) for ambulance zones 1,2,3,4, and 5. Further, the Board of Supervisors had directed the SJEMSA to prepare an amendment to the EMS Plan to establish EOA's for ambulance zones 1-5 for submission to the California Emergency Medical Services Authority (CA EMSA). The City of Lodi is in Zone 4.

Members of the City of Stockton Fire Department (SFD) and City of Lodi Fire Department (LFD) have held several discussions concerning the RFP process and an appropriate response to the RFP. Several areas were studied to determine the best approach to providing emergency medical services to our respective communities. These areas of concern are:

- Offsetting revenue for fire department first response
- Local control of ambulance resources
- On-going training and skill maintenance
- Response time compliance
- System resource capability

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APPROVED:

  
H. Dixon Flynn, City Manager

The City of Lodi Fire Department believes that the best way to respond to the ambulance re-design RFP is to form a contractual agreement with the City of Stockton, American Medical Response, and A-1 Ambulance Service. We believe this public/private partnership is the most stable and reliable method to continue providing emergency medical services to our community and will also be successful in bidding for the EOA contract.

In addition, staff has included a copy of the joint venture agreement. At this juncture, fire department staff is requesting Council approve the Joint Venture Agreement with our partners.

**FUNDING:** None



Michael E. Pretz, Fire Chief

MEP/lh

Attachments

cc: D. Stephen Schwabauer, Interim City Attorney



## JOINT VENTURE AGREEMENT

The purpose of this document is to establish a Joint Venture Agreement between the City of Stockton, specifically the Stockton Fire Department (SFD), the City of Lodi, specifically the Lodi Fire Department (LFD), the City of Tracy, specifically the Tracy Fire Department (TFD), American Medical Response (AMR) Incorporated and A-One Ambulance Service (A-One) (Collectively referred to as the “Parties”). The terms of this framework will be refined into an operating agreement between the parties if the contract contemplated below is awarded to the parties.

1. The parties to this agreement will jointly submit a response to the San Joaquin County Request For Proposal (RFP) for the award of exclusive rights to emergency and non-emergency ambulance transportation within the areas known as Ambulance Zones 1, 2, 3, 4, and 5. The emergency and non-emergency transportation program is administered through the San Joaquin County Emergency Medical Services Agency (SJCEMSA). Except as set forth below, the response to the RFP will allow each signatory to provide non-emergency ambulance transportation within their own zones. AMR and A-One will be exclusively responsible for non-emergency interfacility transfers, critical care transfers, long distance transfers, scheduled wait and returns and HMO/PPO contractual agreements. The parties to this agreement may participate in transfers or calls arising out of the following non-emergency activities:
  - a. City sponsored events
  - b. Memorials
  - c. Emergency Department Requests
  - d. Requests from city employees and families
  - e. AMR/A-One Requests
  - f. Police and Fire Events
  - g. Sporting and entertainment events
2. The following parameters will be a part of the operating agreement between these parties in the final RFP proposal submitted by the joint venture;
  - a. The parties shall jointly recommend to the respective Fire Chiefs of each city the minimum number of dedicated 911 ambulances required to service that zone and the placement of ambulance stations throughout their respective areas currently known as Ambulance Zones 1, 2, 3, 4, and 5. The Fire Chiefs shall not unreasonably reject the recommendation of the parties.
  - b. The implementation schedule of 9-1-1 dedicated emergency ambulances specifically within the areas known as Ambulance Zones 1, 2 and 3 by SFD, AMR, and A-One will be as follows:
    - i. Initially and continuing, SFD and AMR shall each place into service an equal and even number of ALS ambulance units. A-One shall place one ALS ambulance unit in service.



- ii. Any additional increase in emergency ambulance resource needs shall be alternated between the three parties for implementation with SFD having the first right of refusal, AMR having the second and A-One having the third. The schedule for resource increases will continue through the life of the operating agreement between each provider. The order of the right of refusal will rotate between the parties to maintain parity. A-One ambulance service may expand to a total of two (2) ambulance units.
3. The number of non-emergency ambulance resources within the area known as Ambulance Zones 1, 2, 3, 4, and 5 will be determined by need.
4. The parties shall equally participate in the RFP process. If any party withdraws from the joint venture prior to an award of contract from the SJCEMSA or accepts an offer from another bidder to compete for the same service area, that party will be precluded from bidding in the San Joaquin County RFP for ambulance services.
5. Any disagreements arising from interpretation or implementation of the operating agreement between the parties shall be resolved by expedited mediation/arbitration before a mutually agreed-upon neutral party following efforts between parties to resolve the dispute informally.
6. It is understood and agreed that all of the fees and in-kind services paid or provided to the cities as part of this agreement shall be subject to the acknowledgement and approval of same in the RFP award, and in addition, that these payments and services shall be in accordance with all regulatory requirements and as otherwise permitted by the EMS contract.
7. All parties of this agreement agree to include as part of the RFP proposal ambulance transportation fee structure, Advanced Life Support (ALS) and Basic Life Support (BLS) first responder funding and regional emergency medical dispatch funding when a party of this agreement provides such services.
  - a. The ambulance provider stationed in the greater Lodi area will be responsible for first responder fees to the City of Lodi for the provision of that service. ALS first responder fees will cover the marginal cost to upgrade from the Emergency Medical Technician (EMT) level to ALS. BLS first responder fees will cover the marginal cost for the provision of EMT level service.
  - b. The ambulance provider stationed in the greater Tracy area will be responsible for first responder fees to the City of Tracy for the provision of that service. ALS first responder fees will cover the marginal cost to upgrade from the Emergency Medical Technician (EMT) level to ALS. BLS first responder fees will cover the marginal cost for the provision of EMT level service.
  - c. Ambulance provider(s) stationed in the greater Stockton area will be responsible for first responder fees to the City of Stockton for the provision of that service. ALS first responder fees will cover the marginal cost to upgrade from the Emergency Medical Technician (EMT) level to ALS. BLS first responder fees will cover the marginal cost for the provision of EMT level service.



- d. Marginal cost examples include, but are not limited to, the following:
    - i. ALS equipment for first responder engine/truck companies.
    - ii. ALS supplies as mandated by the EMSA.
    - iii. Additional compensation necessary to maintain paramedic and EMT status based on agreed upon amounts between the providers.
8. All emergency calls for service shall be turned over to the 911-dispatch center for Emergency Medical Dispatch (EMD) and the call will be assigned to the closest ambulance to the response area.
9. AMR, through its Northern California Training Institute (NCTI), will provide three (3) annual Paramedic tuition scholarships to employees of the parties of this agreement. In addition, AMR and SFD will assist LFD and TFD in the field internship phases of paramedic training.
10. If requested by LFD, AMR shall provide a Supplemental Transportation Resource (STAR) Unit to be manned by LFD personnel in accordance with an agreed upon criteria and reimbursement rate for unit activation.
  - a. AMR will initially provide a predetermined amount of ambulance units in service in the area known as Ambulance Zone 4. Should the Lodi City Council direct the LFD to provide emergency ambulance transportation, and if additional ambulance resources are needed after review, additional ambulance resources shall be alternated between LFD and AMR, with LFD having the first right of refusal. The schedule for resource increases will continue throughout the life of the operating agreement between each provider.
11. As may be desired by TFD, AMR shall provide a Supplemental Transportation Resource (STAR) Unit to be manned by TFD personnel in accordance with an agreed upon criteria and reimbursement rate for unit activation.
  - a. AMR will initially provide a predetermined amount of ambulance units in service in the area known as Ambulance Zone 5. Should the Tracy City Council direct the TFD to provide emergency ambulance transportation, and if additional ambulance resources are needed after review, additional ambulance resources shall be alternated between TFD and AMR, with TFD having the first right of refusal. The schedule of resource increases will continue throughout the life of the operating agreement between each provider.
12. All parties to this agreement will make their San Joaquin County continuing education classes available to all employees of the parties at not cost.
13. AMR, through its national network of vendors for medical supplies and durable medical equipment, will extend its pricing, to all parties of this agreement.
14. All parties to this agreement who provide ambulance transportation services, will restock first responder engine's medical supplies on a one-for-one exchange basis following each response.



**EXHIBIT A**

15. It is understood that this joint venture agreement takes effect upon signing the below signature line. This agreement will remain in effect (1) throughout the RFP process or until the “joint venture” is awarded the San Joaquin County contract for exclusive ambulance services, and then (2) for the duration of the San Joaquin County contract for exclusive ambulance services.

THE FOREGOING IS ACCEPTED:

\_\_\_\_\_  
DATED

\_\_\_\_\_  
AMERICAN MEDICAL RESPONSE, INC.

\_\_\_\_\_  
DATED

\_\_\_\_\_  
MEDICAL TRANSPORTATION, INC.  
DBA A-ONE AMBULANCE SERVICE

\_\_\_\_\_  
DATED

\_\_\_\_\_  
CITY OF STOCKTON

\_\_\_\_\_  
DATED

\_\_\_\_\_  
CITY OF LODI

\_\_\_\_\_  
DATED

\_\_\_\_\_  
CITY OF TRACY

RESOLUTION NO. 2004-76

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
JOINT VENTURE AGREEMENT BETWEEN THE CITY OF LODI,  
CITY OF STOCKTON, AMERICAN MEDICAL RESPONSE, AND  
A-1 AMBULANCE

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Joint Venture Agreement between the City of Lodi, City of Stockton, American Medical Response, and A-1 Ambulance to work together to prepare a response to a County Request for Proposal to form an exclusive operating area for ambulance transportation; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute the Joint Venture Agreement on behalf of the City of Lodi.

Dated: April 21, 2004

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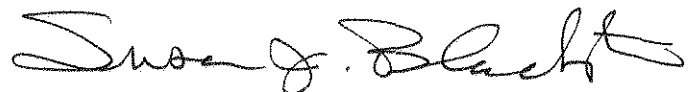
I hereby certify that Resolution No. 2004-76 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 21, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and  
Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON  
City Clerk